

STATE OF WASHINGTON



OF OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. D 01-112
	)	
RAMPART INSURANCE	)	ORDER TO REVOKE
COMPANY	)	CERTIFICATE OF AUTHORITY
	)	No. 2005
	)	AND TO PAY FINE
An authorized insurer.	)	
_____	)	

TO: RAMPART Insurance Company  
f/k/a GAN National Insurance Company  
199 Water Street 21<sup>st</sup> Floor  
New York, NY 10038-3526  
NAIC : RAMPAIC033D4

AND TO: Francois M. Chavel, President and CEO  
Robert J. Lever, former President  
Thomas W. Devine, Vice President and Treasurer

AND TO: Thierry Aulagnon, Donald P. DeLuca, Charles E. Keller, Sol Kroll, Elliott Kroll,  
Antony P. Lancaster, Michel Laparra, Henri Laurent, David W. Nelson, Maurice  
W. Slayton, and Peter W. Williams

AND TO: **The Honorable Greg Serio**  
**Superintendent of Insurance**  
**25 Beaver Street**  
**New York, New York 10004-2319**

Pursuant to RCW 48.02.080, and RCW 48.05.140(8), and for the reasons stated below,  
RAMPART INSURANCE COMPANY f/k/a GAN National Insurance Company's Certificate of  
Authority No. 2005 is hereby revoked effective ten days from the date of its receipt of this Order,  
and the Company is ordered to cease and desist doing business in the State of Washington.

The Company is further ORDERED to pay a fine to the Office of the Insurance Commissioner in  
the amount of \$10,000.00 for its violation of RCW 48.30.030, and

Robert J. Lever and Thomas W. Devine, the Officers attesting under oath to the Company's  
financial condition and statement thereof which was filed with the OIC, are ORDERED to pay the  
sum of \$10,000.00 each for violation of RCW 48.04.240, RCW48.30.030, and RCW 48.30.120,  
within thirty days of the entry of this Order.

It is further ORDERED that each member of the Board of Directors sitting on the Board on the date the Board approved the falsification, at the April 27, 1998 meeting set forth below, shall be fined \$10,000.00 individually, for their intentional violation of Washington law.

#### BASIS FOR ORDER

1. Examination of the Company Rampart Insurance Company (hereinafter "Rampart") was examined in the regular course of business by the New York Insurance Department. Rampart is a New York domiciled insurer. The Examination covered the period of time ending December 31, 1998.
2. Findings on Examination The New York Insurance Department identified a statement in the Board of Directors Minutes for April 27, 1998 that caused the Department to conclude that "...the Company's September 30, 1997 Quarterly Statement filed with the New York Insurance Department was deliberately misstated to preserve the Company's A.M. Best's rating." The Department went on to conclude that "...the Company had intentionally misstated its loss reserves as of September 30, 1997, it appears the Company's officers failed to adhere to the requirements of the jurats of the quarterly statement as of the same date." *Report on Examination at 23.*
3. Certification to the Washington OIC On November 30, 2000, pursuant to Section 312 of the New York Insurance Law, Rampart Insurance provided a complete certified copy of the Report of Examination for GAN National Insurance Company n/k/a Rampart Insurance Company at 12/31/98. The OIC received this Report on December 11, 2000.
4. Rampart's Filings with OIC Pursuant to RCW 48.05.250, Rampart filed Annual Financial Statements with OIC for CY1997, and CY 1998 that included the false information identified in the Report of Examination referenced in paragraph 3, above. Two officers attested to the accuracy of the Financial Statement. Those two officers were Robert J. Lever and Thomas W. Devine.
5. Lack of Remedial Action RCW 48.30.130 charges all directors with constructive knowledge of the actions of the Company and its board unless OIC receives written reservation regarding the action in question from the individual directors. RCW 48.30.120 prohibits directors and officers from concurring in the making of false entries or omitting material entries on material and statements filed with OIC. RCW 48.30.030 specifically prohibits knowingly filing, disseminating, making or publishing any financial statement which does not accurately state the insurer's financial condition. OIC has not received a written reservation or disclaimer regarding the Board's action at that April 27, 1998 meeting from any member of the Board of Directors, nor has the Company filed a corrected Annual Statement for any of the referenced years.
6. Consumer Harm Rampart ceased writing business in Washington State in 1998. It is unknown how many policyholder claims or renewed policies are administered by Rampart for Washington State residents. Had Rampart filed accurate financial statements with OIC for CY 1997 and CY1998, the Company would have been impaired in its financial status, jeopardizing Washington State residents ability to have claims paid and to make appropriate insurance purchasing decisions.
7. Revocation of Certificate of Authority RCW 48.05.140 (8) authorizes the Commissioner's revocation of an insurer's certificate of authority if the Commissioner finds, upon receipt of reliable information, that the company is affiliated directly or indirectly with persons whose business operations are marked, to the detriment of policyholders or of the public, by manipulation of assets or by bad faith. The Commissioner finds that the New York Examination Findings are reliable, and that the Company's board of directors acted, and the Company conducted its business operations, in a manner involving manipulation of assets and marked by bad faith through falsification of financial statements and providing such statements under oath.

Subject to the right of the insurer named in this Order to demand a hearing on the revocation of its Certificate of Authority issued pursuant to chapter RCW 48.04, this Order is effective forthwith and shall remain in effect until further notice by the Commissioner.

ENTERED THIS 15<sup>th</sup> day of November, 2001.

MIKE KREIDLER  
Insurance Commissioner

By:  
Meg L. Jones  
Assistant Deputy Commissioner